

Air Force Fast Track Instructions

Do D FY 1999 Small Business Technology Transfer (STTR) or DoD 98.1 Small Business Innovative Research (SBIR) Program Solicitations

The Department of Defense has initiated a "Fast Track" program to help the Air Force and the small business quickly and seamlessly move from Phase I completion to Phase II award. The Fast Track program was originally introduced in the 96.1 DOD SBIR Solicitation and was created in an attempt to encourage contractors to seek third party funding to assist them in commercializing their technology. It is also meant to recognize those projects most likely to be developed into viable new products that DoD and others will buy and that will thereby make a major contribution to U.S. military and/or economic capabilities.

Fast Track is essentially a methodology wherein SBIR/STTR projects that attract matching cash from an outside investor for their Phase II effort have an opportunity to

- (1) receive interim funding between Phases I and II:
- (2) be evaluated for Phase II award under a separate, expedited process: and
- (3) be selected for Phase II award if they are technically sufficient.

Be advised however, that the DOD is not obligated to make any awards under Phase II or the Fast Track process, and all awards are subject to the availability of funds and military needs. There is no commitment on the part of the Air Force to make any (including Fast Track) award or awards under any specific topic, make a specific number of awards or to be responsible for any moneys expended by the proposer prior to an award being made. **Fast Track proposals to the Air Force are to be provided only upon receipt of a written invitation from the Contracting Officer to do so.** In accordance with AF-1: **"all Fast Track applicants will be invited"**.

Benefits of Qualifying for the Fast Track Program

If a project qualifies for a Fast Track:

- It will receive interim funding of no less than \$30,000 and not to exceed \$50,000 commencing approximately at the end of the Phase I work effort. Consistent with Air Force policy, the vast majority of projects that qualify should receive interim SBIR/STTR funding. However, the DOD contracting office has the discretion and authority, in any particular instance, to deny any interim funding when doing so is in the interest of the Government (e.g. when the project no longer meets a military need (as determined by the government), or the statement of work does not meet the threshold of "technically sufficient" as described in **Section 4.3** of the **Program Solicitation**). This interim funding is considered part, and not in addition to, Phase II funding.
- The Air Force will **evaluate** the Fast Track Phase II proposal under a separate, **expedited process**, and will select the proposal for Phase II award provided it meets or exceeds the threshold of "technically sufficient" as described in **Section 4.3**. This process should result in a higher percentage of Fast Track proposals being awarded Phase II awards than non-Fast Track proposals. The Air Force is not obligated, in any particular instance, to award a Phase II contract to a Fast Track project, and the Air Force is not responsible for any funds expended by the proposer prior to Phase II contract award.

Adjustments to the past DOD SBIR/STTR Solicitation Fast Track policy have been made in the latest DOD Program Solicitation that should facilitate an even greater streamlining of the processing of Fast Track applications and implement other significant improvements in the Fast Track policy.

Included in the present DOD Program Solicitation (pursuant to page AF-1) is a requirement that: "Detailed instructions on the Air Force Fast Track ... consistent with this solicitation, will be given out by the awarding Air Force directorate along with the Phase I contracts." This instruction fulfills this requirement. No additional requirements are imposed. The following is a simple consolidation of the Fast Track procedures, processes and requirements set forth in the DOD Solicitation (including AF-1). For your convenience the following links are provided:

FY 1999 STTR Solicitation

Reference E, DOD Fast Track Guidance <http://www.acq.osd.mil/sadbu/sbir/99/sttrrefe.pdf>
Appendix D, Fast Track Application <http://www.acq.osd.mil/sadbu/sbir/99/sttrappxd.pdf> or
Cover Sheet <http://www.hsv.tis.net/~bobsbir/sttrforms/formmenu.html>

SBIR Solicitation 99.1

Reference E, DOD Fast Track Guidance <http://www.acq.osd.mil/sadbu/sbir/991/refe.pdf>
Appendix D, Fast Track Application <http://www.acq.osd.mil/sadbu/sbir/991/appxd.pdf> or
Cover Sheet <http://www.hsv.tis.net/~bobsbir/forms/formmenu.html>

These are the most recent program solicitations. Past and future SBIR/STTR solicitations may be found at <http://www.acq.osd.mil/sadbu/sbir/solicit.html>

Fast Track Requirements

The requirements that must be met to qualify for the Fast Track process are as set forth in the DOD Program Solicitation and implemented herein. The failure to meet the conditions within the time frames indicated will generally disqualify a company from participation in the SBIR/STTR Fast Track and perhaps result in the inability to receive a Phase II award of any kind during this Phase II award cycle. While deviations from these requirements may be approved in writing by the contracting office, none are envisioned at this time.

Salient areas for compliance

1. The applicant must be selected for Phase II based upon the Evaluation Criteria set forth for Phase II in section 4.3 of the solicitation.
2. The applicant's proposal and Phase I results must meet or exceed a threshold of "technically sufficient"
3. The applicant must have substantially met their Phase I technical goals
4. No duplication of other Government sponsored research or research and development is proposed by the applicant or foreseen by the Air Force.
5. No Air Force or DOD budgetary constraints or programmatic constraints are applicable or envisioned.
6. The applicants proposal must demonstrate a potential for a successful Phase II effort leading to a product of continuing interest to the DOD and/or the potential for commercial (Government or private sector) application with commensurate benefits shown to accrue from this commercialization (thereby indicating the potential for a major contribution to U.S. military and/or economic capabilities). Typically the proposal will include the delivery of a well-defined prototype.
7. The applicant must follow the general proposal preparation instructions and requirements (and qualifications) set forth in the DoD Program Solicitation.

8. The applicant must submit a fully compliant and accurate Fast Track Application form (Appendix D of the Program Solicitation) ***within 120 days*** after the effective start date of the Phase I contract (as set forth in block 3, AFMC Form 701, Phase I Award/Contract page) to the Phase I AFOSR Program Manager (as set forth in ***Section G of the Contract***) through the AFOSR STTR Program Manager.

Air Force Office of Scientific Research

AFOSR/NI, Mr. Chris Hughes
4040 Fairfax Drive Suite 500
Arlington VA 22209-1613

Note: If the Phase I proposal was not submitted directly to AFOSR, the Phase II proposal should be submitted to the same Agency/Address where the Phase I proposal was originally submitted. The additional copy below should be sent to the appropriate address shown in Appendix D.

An additional copy of the entire application must also be sent to:

Department of the Air Force

SBIR/STTR Program Executive,
AFPL/XPPX, Suite 6
Wright Patterson Air Force Base, Ohio 45433-5006

With a copy of the application cover sheet only to:

DoD SBIR/STTR Program Manager

3061 Defense Pentagon
Room 2A338
Washington, DC 20301-3061

9. Qualifying applicants that have never received a Phase II SBIR/STTR award from the DOD or any other Federal Agency must obtain a minimum matching rate from an outside investor of \$.25 for every Air Force funded SBIR/STTR dollar. For all other qualifying applicants the minimum matching rate from an outside investor is one dollar for every Air Force dollar invested.

10. The applicant must submit certification that the outside funding proposed in the application qualifies as a “Fast Track investment” and the investor qualifies as an “outside investor”

11. The applicant must submit to the Air Force a letter from the outside investor demonstrating the commitment of interim and Phase II matching funding in cash within **45 days** of the applicant’s selection for a Phase II award.

12. By virtue of the submission of a Fast Track application, the applicant agrees to provide any and all records necessary to verify the compliance, eligibility and accuracy of all certifications, commitments and qualifications required or applicable.

13. The applicant shall submit a one page (or less) statement, detailing that portion of the effort that the investor will fund.

14. The applicant shall submit a one page (or less) statement describing the investors experience in evaluating companies’ ability to successfully commercialize technology along with the investors assessment of the market for the SBIR/STTR technology being proposed, and the ability of the company to bring this technology to market.

15. It is highly recommending (but not required) that the proposing applicant provide to the Air Force the details of the arrangement under which the matching funds are being provided by the outside investor (intellectual property right relinquishments etc. as applicable).

16. The applicant shall submit a concise statement of work for the interim SBIR/STTR effort (less than four pages) and detailed cost proposal (less than one page not including supporting documentation) if applicable.

17. The applicants Phase II proposal must be submitted within **180 days** after the effective start date of its Phase I contract (as set forth in block 3, AFMC Form, Phase I Award/Contract page).

18. The applicants Phase I final report must be submitted in accordance with the Phase I contracted schedule but in no event later than **210 days** after the time specified ***in block 3, AFMC Form 701***, Phase I Award/Contract page. The applicant is advised to insure that the Phase I effort schedule is negotiated accordingly in order to insure compliance.

19. Within **45 days** after being notified of selection for Phase II award, the applicant shall provide verifiable certification that the entire matching funds amount from the outside investor has been transferred to the company. This notification shall consist of a letter, signed by both the company and its outside investor stating that (specify the dollar amount of the matching funds) in cash has been transferred to the applicant from the outside investor in accordance with the Fast Track Procedures set forth in the DoD Program Solicitation and herein. The notification letter must be sent to the Air Force Contracting Office along with a copy of the applicants bank statement showing funds deposit.

You are put on notice that the failure of the Air Force Contracting Office to receive a compliant certification showing the transfer of funds, shall result in the company being determined ineligible to compete not only for a Phase II award under Fast Track procedures but regular procedures as well. Before signing the certification letter, the company and investor should be aware that knowingly and willfully making any false, fictitious, or fraudulent statements or representations may be a felony under the Federal Criminal False Statements Act (18U.S.C. Section 1001), punishable by a fine of up to \$10,000, up to 5 years in prison, or both.

20. Any non-SBIR/non-STTR DOD program outside investor must provide a line of accounting within the **45 days** after the applicant is notified of selection for Phase II award.